Agenda Item: 4.A
Date of Meeting: June 30, 2025
Department: Public Works

STAFF REPORT

To: City Council

From: Nora Gamino

Subject: **Renewal of Solar Asset Management Agreement with TerraVerde Energy, LLC**

Prepared On: June 17, 2025

Attachments: Solar Asset Management Renewal Agreement
Sole Source Memo - TerraVerde

Background/History:
Since installation in 2016, the City's three solar energy systems, at Well 2, Well 4, and the Wastewater Treatment Plant, have been supported by TerraVerde Energy, LLC for performance monitoring, maintenance coordination, and reporting. Their services have ensured consistent system performance, early issue detection, and compliance with performance guarantees.

Analysis/Discussion:
The proposed renewal agreement provides continued monitoring, reporting, and annual preventive maintenance of the City's solar systems. Services include:

- Real-time performance monitoring and reporting
- Issue resolution and coordination with equipment vendors
- Quarterly and annual operational and financial reporting
- Annual preventive maintenance and inspections
- Data collection and performance verification

The City has the option to opt out annually, providing flexibility if future needs change.

Justification for Sole Source Procurement: TerraVerde has provided asset management services since installation and is uniquely familiar with the City's systems. Transitioning to another provider would require duplicative onboarding efforts and risk temporary lapses in oversight, with no anticipated cost savings. A sole source procurement justification memo is attached.

Economic Impacts:
In 2023–24, the City saved approximately $64,500 in electricity costs through its solar energy

systems; without active oversight and maintenance coordination, something as minor as a 10% drop in performance could result in over $6,000 in lost annual savings.

Budget Impacts:
Annual service fees range from $10,000 in Year 1 to $14,000 in Year 5, for a total not to exceed $60,000 over five years. Funding is included in the adopted FY 2025–26 budget and will be included in future budgets subject to Council approval.

Legal Review:
City Attorney Pucci has reviewed this item and finds that the recommended action complies with the law.

Recommended Action:
Authorize the Public Works Director to execute the five-year Solar Asset Management Agreement with TerraVerde Energy, LLC in an amount not to exceed $60,000, with annual payments as outlined in the agreement with the option to opt out annually.

Approved By: Ethan Aukee 6/23/2025
Approved By: Robin Picken 6/24/2025
Approved By: Deston Dishion 6/25/2025
Approved By: